The Government of India in the Ministry of Agriculture is implementing through the State Governments various programmes like, the National Food Security Mission (NFSM), the National Horticulture Mission (NHM) and Rashtriya Krishi Vikas Yojana (RKVY) to increase agricultural productivity and production in the country.

Taxes and tariffs on medicines

2293. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that taxes and tariffs are contributing significantly towards raising the prices of life-saving medicines;

(b) if so, what steps have been taken to ensure that economically weaker segments are able to purchase life-saving medicines so that their lives are saved; and

(c) what are the details of the reduction in taxes, tariffs, etc. to keep the life-saving medicines within the reach of poor patients, during 2006, 2007 and 2008?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) This Department has launched Generic Drug Campaign by opening JAN AUSHADHI stores for providing unbranded quality generic medicines at affordable prices.

(c) In 2006 Union Budget, a concessional basic duty @ 5% were provided on 10 specified Anti-AIDS; 14 specified anti-cancer and 4 specified life saving drugs including their bulk drugs. These drugs were also exempted from countervailing duty by way of excise duty exemption. In 2007 Union Budget, there was no change in duty structure of drugs. In 2008, Union Budget five specified life saving drugs including their bulk drugs and one specified anti-cancer diagnostic kit, were provided a concessional 5% basic custom duty with nil countervailing duty by way of excise duty exemption. Further one anti-AIDS drug and the bulk drugs for the manufacturer of the said drug were also fully exempted from excise duty. In same year, the central excise duty on pharmaceutical products including drugs/medicines were reduced from 16% to 8%. Thereafter, the central excise duty on drugs/medicines was further reduced from 8% to 4% with effect from 7th December, 2008.

Pharma policy

2294. SHRI GIREESH KUMAR SANGHI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a decision has not been taken on the long awaited pharma policy which had been referred to GoM headed by former Food and Agriculture Minister two years back for taking a final call;

(b) if so, whether industry also prioritise more stimulus for research and development (R&D) and tax benefits for contract research and manufacturing;

(c) if so, whether GoM has already given its recommendations; and

(d) if so, what are the details of the same and by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) to (d) Group of Ministers (GoM) looking into the Pharmaceutical Policy have not yet given any recommendation. However, based on the request received from various Pharma Associations, Department of Pharmaceuticals recommended the following to the Department of Revenue:—

(i) To extend the date for approval by DSIR by 10 years *i.e.* up to 31.3.2017 for obtaining 100% deduction from income tax to any Indian company carrying out scientific research and development under Section 80-IB(8A). Further, this section should not be restricted to only Indian Companies.

(ii) To encourage Pharma Innovation and R&D, the benefit of section 35(2AB) of Income Tax Act 1961 may be extended by another 5 years *i.e.* up to 31.3.2017 and the benefit of weighted exemption under this section may be increased from 150% to 200%. Further, the coverage of this section may be extended to expenditure incurred for Obtaining Regulatory Approvals and Filing of Patents abroad.

However, these recommendations did not form part of budget speech on 6.7.2009.

Green field urea ammonia complex

2295. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that M/s Essar Oil Co. have desired to set up a green field urea ammonia complex by using Coal Bed Methane at the present site of now closed Durgapur Fertilizer Factory of HFCL; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) No proposal has been received from M/s. Essar Oil Co. to set up green field urea ammonia complex at the site of Durgapur Unit of HFCL. However, another company has evinced interest in setting up of a brown field urea ammonia complex at Durgapur based on Coal Bed Methane (CBM) to be supplied by M/s. Essar Oil Co.

(b) Does not arise in view of (a) above